

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

AP Industrial Infrastructure Corporation Limited – Gas Distribution Network - Participation in equity of Bhagyanagar Gas Limited (BGL) by APIIC on behalf of Government of Andhra Pradesh – Orders - Issued.

INDUSTRIES & COMMERCE (INF) DEPARTMENT

G.O.MS.NO. 234

DATED: 30.10.2009

Read the following:

1. Govt.Lr.No.18052/IF Cell/A1/04, dt. 17.2.05.
2. From the APIDC Lr No GM(P,M&R-II)/BGL/2356/2007 dt:12.3.2007
3. Record of discussions of the meeting held on 11.8.09 on exploration and production of natural gas.
4. From the CMD, APIIC, Lr.No.229/APIIC/ Projects/ BGL /09,dt. 29.8.09.

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ORDER:

The Bhagyanagar Gas Ltd., was incorporated on 22.8.2003 as a Joint venture of M/s Gas Authority of India Limited (GAIL) with M/s Hindustan Petroleum Corporation Limited (HPCL) under the Companies Act, 1956 for distribution and marketing environmentally friendly fuel like natural gas, piped gas and auto liquefied petroleum gas for residential, industrial, commercial and automotive sectors. The Bhagyanagar Gas Ltd., has requested Government to invest 5% in the equity as per the Articles of Association of Bhagyanagar Gas Ltd. The Government in the reference 1st read above have permitted the AP Industrial Development Corporation (APIDC) to invest upto Rs.5.00 crores in M/s. Bhagyanagar Gas Ltd., equity participation from the internal resources of the APIDC. The Board of Directors of the APIDC has canceled the equity assistance sanctioned to the Bhagyanagar Gas Limited as the Bhagyanagar Gas Limited has not communicated acceptance to the offer extended by the APIDC.

2. During the Meeting held in the chambers of Hon'ble Chief Minister on 4.8.2009 with regard to the K-G Basin Gas , it was suggested that the APIIC may invest in the Bhagyanagar Gas Limited on behalf of the Government of A.P. to optimize utilization of K-G-Basin Gas in the State of A.P. and to explore the possibilities of involvement in Gas Distribution Net work so as to maximize the utilization of the Natural Gas within the State.

3. The Chairman & Managing Director, AP Industrial Infrastructure Corporation (APIIC) in his letter 4th read above has informed Government that the issue regarding participation of equity in Bhagyanagar Gas Ltd., was placed before the Board of APIIC, and the Board in its meeting held on 18.8.2009 has resolved to participate in equity of Bhagyanagar Gas Ltd., which was meant for Government of Andhra Pradesh to an extent of 5% as indicated in the Articles of Association of Bhagyanagar Gas Ltd. The Chairman & Managing Director, APIIC has also informed Government that the Bhagyanagar Gas Ltd., has communicated its formal "in-principle" acceptance to take the APIIC as an equity partner upto a maximum of 5% equity.

4. The Chairman & Managing Director, APIIC has requested Government to issue necessary orders for investing in the equity of the Bhagyanagar Gas Ltd., by the APIIC upto a maximum of 5% which is reserved a share of Government of Andhra Pradesh in the Articles of Association of Bhagyanagar Gas Ltd.

5. The Bhagyanagar Gas Ltd., has already taken up the City Gas Distribution in 3 major cities namely Hyderabad, Vijayawada and Kakinada. The very presence of the State under taking as equity holder in the Bhagyanagar Gas Ltd., not only facilitate required clearances from different agencies but also can expedite the whole process of City Gas distribution which would eventually benefit the public at large.

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6. The Government keeping in view of the above and after careful consideration have approved the proposal of the APIIC and hereby accord approval to the APIIC for investing in the equity of Bhagyanagar Gas Ltd., upto a maximum of 5% as a share of Government of Andhra Pradesh.

7. The Chairman & Managing Director, APIIC shall take action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Chairman & Managing Director,
AP Industrial Infrastructure Corporation Limited, Hyderabad.
The Managing Director, M/s Bhagyanagar Gas Ltd.,
Parishrama Bhavan, Basheerbagh, Hyderabad.

Copy to:

The Managing Director , APGENCO, Vidyut soudha, Hyderabad.
The Managing Director, AP Industrial Development Corporation,
Parishrama Bhavan, Hyderabad
PS to Principal Secretary to Chief Minister
PS to Minister (Major Industries).
PS to Principal Secretary to Government & CIP., Industries & Commerce Department.
Sf/sc.

//FORWARDED;; BY ORDER//

SECTION OFFICER